



پاک وطن ہے اپنی جان

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Corporate Information

Board of Directors

Lt Gen Khalid Nawaz Khan, HI (M) (Retd), Sitara-i-Esar - Chairman
Lt Gen Muhammad Haroon Aslam, HI (M), S Bt (Retd)
Lt Gen Shafqaat Ahmed, HI (M) (Retd) *
Mr. Qaiser Javed
Dr. Nadeem Inayat
Mr. Manzoor Ahmed - NIT Nominee
Mr. Asif Reza Sana
Mr. Zaffar Ahmad Khan
Mr. Tariq Hafeez Malik
Mr. Muhammad Ghous
Syed M. Husaini - President & Chief Executive

*(Subject to fit & proper clearance from SBP)

Board Audit & Compliance Committee

Mr. Asif Reza Sana - Chairman
Mr. Qaiser Javed
Dr. Nadeem Inayat
Mr. Manzoor Ahmed
Mr. Tariq Hafeez Malik

Auditors

M/s A. F. Ferguson & Co
Chartered Accountants

Legal Advisors

RIAA Law Advocates & Corporate Counselors

Shariah Advisor

Dr. Muhammad Tahir Mansoori

Chief Financial Officer

Mr. Saleem Anwar, FCA

Company Secretary

Mr. Umar Shahzad, FCIS

Registered / Head Office

AWT Plaza, The Mall, P. O. Box No. 1084
Rawalpindi – 46000, Pakistan.
Tel: (92 51) 9272467 & 906 3752-3
Fax: (92 51) 927 2455 & (92 51) 927 2445
E-mail: webmaster@askaribank.com.pk

Registrar & Share Transfer Office

THK Associates (Private) Limited
Ground Floor, State Life Building No.3
Dr. Ziauddin Ahmad Road
P. O. Box: 8533, Karachi – 75530
Tel: (92 21) 111 000 322
Fax: (92 21) 35655595

Entity Ratings

Long Term: AA
Short Term: A1+
By JCR-VIS Credit Rating Company Limited

Website

www.askaribank.com.pk

Directors' Review

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial information for the quarter ended March 31, 2015. The financial results are summarized as under:

	Rupees in thousand	
	2015	2014
Profit before provisions and taxation	2,226,869	1,335,110
(Provision) / reversal of provisions against loans and advances	(175,296)	233,707
(Impairment and provisions) against investments	(151,958)	(117,550)
Profit before taxation	1,899,615	1,451,267
Taxation	(639,717)	(430,597)
Profit after taxation	<u>1,259,898</u>	<u>1,020,670</u>
Basic earnings per share - Rupee	<u>1.00</u>	<u>0.81</u>

During the first quarter ended March 31, 2015, Askari Bank's profit after taxation was recorded at Rs. 1.26 billion, a healthy increase of 23.4 percent compared to the corresponding quarter last year. Net revenues for the current quarter grew by 25.9 percent, from Rs. 4.06 billion to Rs. 5.11 billion, driven mainly by a 21% increase in the comparable asset base. The administrative and other operating expenses increased by 5.9 percent during the period under review. Resultantly, the operating profit i.e. profit before provisions and taxation increased to Rs. 2.23 billion for the first quarter of 2015. Earnings per share for the quarter were reported at Re. 1.00 against Re. 0.81 for the corresponding quarter last year.

Total assets of the Bank increased to Rs. 472 billion as of March 31, 2015 compared to Rs. 447 billion as at December 31, 2014, a 5.59 percent growth during the quarter. Customer deposits were retained at the level of December 31, 2014 while net advances increased by 2.7 percent, to Rs. 175 billion as of March 31, 2015.

Our branch network presently comprises of 326 branches, including 56 Islamic Banking branches, 31 sub-branches and a Wholesale Bank Branch in Bahrain. The Bank is pursuing expansion of branch network and improved products and service offerings while maintaining focus on operational efficiencies-to further grow Bank's business, assets and revenues.

We would like to thank our valued customers for their continued patronage and support, to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance, to our shareholders for the trust and confidence reposed in us, and to our staff who continue to contribute to the organization and hence enable us to perform consistently in a challenging business environment.

- sd -

Syed M. Husaini
President & Chief Executive

Rawalpindi
April 22, 2015

- sd -

Lt Gen Khalid Nawaz Khan
HI (M) (Retd), Sitara-i-Esar
Chairman, Board of Directors

Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2015

		(Un-audited) March 31, 2015	(Audited) December 31, 2014
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		24,513,363	19,130,113
Balances with other banks		6,701,369	7,068,111
Lendings to financial institutions		6,132,718	3,427,753
Investments	7	233,324,454	217,214,247
Advances	8	175,033,561	170,496,454
Operating fixed assets	9	8,535,784	8,299,488
Assets held for sale		53,703	53,703
Deferred tax assets	10	280,704	875,335
Other assets		16,988,739	20,517,341
		471,564,395	447,082,545
Liabilities			
Bills payable		10,937,088	6,855,020
Borrowings	11	32,964,480	13,742,030
Deposits and other accounts	12	386,054,123	387,586,620
Sub-ordinated loans		7,992,000	7,992,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		8,831,473	7,199,014
		446,779,164	423,375,484
Net Assets		24,785,231	23,707,061
Represented By:			
Share capital	13	12,602,602	12,602,602
Reserves		5,680,603	4,823,738
Unappropriated profit		1,007,918	1,862,223
		19,291,123	19,288,563
Surplus on revaluation of assets - net of tax	14	5,494,108	4,418,498
		24,785,231	23,707,061
Contingencies and Commitments		15	

The annexed notes 1 to 19 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2015

		Quarter ended March 31, 2015	Quarter ended March 31, 2014
	Note	(Rupees in thousand)	
Mark-up / return / interest earned		9,505,671	7,555,344
Mark-up / return / interest expensed		5,981,050	5,017,264
Net mark-up / interest income		3,524,621	2,538,080
Provision / (reversal of provision) against non-performing loans and advances - net	8.2	175,296	(233,707)
Impairment loss on available for sale investments		42,154	35,153
Provision for diminution in the value of investments - net		109,804	82,397
Bad debts written off directly		-	-
		327,254	(116,157)
Net mark-up / interest income after provisions		3,197,367	2,654,237
Non mark-up / interest income			
Fee, commission and brokerage income		341,102	345,690
Dividend income		43,744	48,768
Income from dealing in foreign currencies		232,248	298,970
Gain on sale of securities - net	16	830,531	679,955
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-
Other income		140,810	148,566
		1,588,435	1,521,949
Total non-markup / interest income		4,785,802	4,176,186
Non mark-up / interest expenses			
Administrative expenses		2,825,975	2,724,916
Other provisions / write offs		118	-
Other charges		60,094	3
Total non-markup / interest expenses		2,886,187	2,724,919
		1,899,615	1,451,267
Extra ordinary / unusual items		-	-
Profit before taxation		1,899,615	1,451,267
Taxation - current		624,260	31,942
- prior years'		-	-
- deferred		15,457	398,655
		639,717	430,597
Profit after taxation		1,259,898	1,020,670
Basic earnings per share - Rupee		1.00	0.81

The annexed notes 1 to 19 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	(Rupees in thousand)	
Profit after taxation	1,259,898	1,020,670
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	2,922	(13,590)
Comprehensive income - transferred to statement of changes in equity	1,262,820	1,007,080
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	3,929,477	459,768
Total comprehensive income	<u>5,192,297</u>	<u>1,466,848</u>

The annexed notes 1 to 19 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

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Director

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Director

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Chairman

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,899,615	1,451,267
Less: dividend income	(43,744)	(48,768)
	1,855,871	1,402,499
Adjustments:		
Depreciation / amortization	189,658	183,596
Provision / (reversal of provision) against non-performing advances - net	175,296	(233,707)
Impairment loss on available for sale investments	42,154	35,153
Provision for diminution in the value of investments - net	109,804	82,397
Net profit on sale of operating fixed assets	(1,927)	(13,161)
	514,985	54,278
	2,370,856	1,456,777
(Increase) / decrease in operating assets		
Lendings to financial institutions	(723,606)	1,209,106
Advances	(4,643,719)	(6,229,363)
Other assets (excluding advance taxation)	2,947,424	(739,539)
	(2,419,901)	(5,759,796)
Increase / (decrease) in operating liabilities		
Bills payable	4,082,068	(619,991)
Borrowings	19,222,450	18,240,195
Deposits and other accounts	(1,532,497)	(27,872,969)
Other liabilities (excluding current taxation)	373,075	3,430,353
	22,145,096	(6,822,412)
Cash flow before tax	22,096,051	(11,125,431)
Income tax paid	(70,192)	(142,172)
Net cash inflow / (outflow) from operating activities	22,025,859	(11,267,603)
Cash flow from investing activities		
Net investments in available for sale securities	(12,986,943)	11,869,490
Net investments in held to maturity securities	(1,620,438)	91,293
Dividend income	2,170	34,862
Investments in operating fixed assets - net of adjustment	(433,242)	(165,918)
Sale proceeds of operating fixed assets - disposed off	9,215	15,851
Net cash (outflow) / inflow from investing activities	(15,029,238)	11,845,578
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	-
Dividends paid	(876)	(546)
Net cash outflow from financing activities	(1,676)	(546)
Effect of translation of net investment in Wholesale Bank Branch	2,922	(13,590)
Increase in cash and cash equivalents	6,997,867	563,839
Cash and cash equivalents at beginning of the period	27,625,977	36,162,569
Cash and cash equivalents at end of the period	34,623,844	36,726,408
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	24,513,363	27,298,422
Balances with other banks	6,701,369	8,427,986
Call money lendings	3,409,112	1,000,000
	34,623,844	36,726,408

The annexed notes 1 to 19 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2015

	(Rupees in thousand)						
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue Reserves		Total
					General reserve	Unappropriated profit	
Balance as at January 01, 2014	12,602,602	99,009	234,669	3,899,517	1,379,866	(1,582,626)	16,633,037
Transfer to General reserve:	-	-	-	-	(1,582,626)	1,582,626	-
Total comprehensive income for the quarter ended March 31, 2014							
Net profit for the quarter ended March 31, 2014	-	-	-	-	-	1,020,670	1,020,670
Other comprehensive income related to equity	-	(13,590)	-	-	-	-	(13,590)
Transfer to Statutory reserve	-	-	-	204,134	-	(204,134)	-
Balance as at March 31, 2014	12,602,602	85,419	234,669	4,103,651	(202,760)	816,536	17,640,117
Total comprehensive income for the nine months ended December 31, 2014							
Net profit for the nine months ended December 31, 2014	-	-	-	-	-	2,994,262	2,994,262
Other comprehensive income related to equity	-	3,907	-	-	-	(89,463)	(85,556)
Transfer to:	12,602,602	89,326	234,669	4,103,651	(202,760)	3,721,335	20,548,823
Statutory reserve	-	-	-	598,852	-	(598,852)	-
Transaction with owners, recorded directly in equity							
Interim dividend 2014: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)
Balance as at December 31, 2014	12,602,602	89,326	234,669	4,702,503	(202,760)	1,862,223	19,288,563
Transfer to General reserve	-	-	-	-	1,862,223	(1,862,223)	-
Total comprehensive income for the quarter ended March 31, 2015							
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,259,898	1,259,898
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922
Transfer to Statutory reserve	-	2,922	-	-	-	1,259,898	1,262,820
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-
Transaction with owners, recorded directly in equity							
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	<u>12,602,602</u>	<u>92,248</u>	<u>234,669</u>	<u>4,954,483</u>	<u>399,203</u>	<u>1,007,918</u>	<u>19,291,123</u>

The annexed notes 1 to 19 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 1, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2015. The ultimate parent of the Bank is Fauji Foundation. The Bank has 321 branches (December 31, 2014: 321 branches); 320 in Pakistan and Azad Jammu and Kashmir, including 53 (December 31, 2014: 53) Islamic Banking branches, 31 (December 31, 2014: 31) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

2. BASIS OF MEASUREMENT

This condensed interim unconsolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim unconsolidated financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Bank for the quarter ended March 31, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim unconsolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim unconsolidated financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2014.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for banks. However, investments have been valued in accordance with the requirements of various circulars issued by SBP.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2014.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2014.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2014.

7. INVESTMENTS

7.1 Investments by types:

	March 31, 2015 - (Un-audited)			December 31, 2014 - (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	Rupees in '000			Rupees in '000		
Available for sale securities						
Market Treasury Bills	101,878,460	2,094,507	103,972,967	95,363,586	2,840,522	98,204,108
Pakistan Investment Bonds	82,503,956	22,190,813	104,694,769	98,717,375	-	98,717,375
Fully paid ordinary shares / units	2,976,913	-	2,976,913	2,618,908	-	2,618,908
Units of open end mutual funds	1,732,635	-	1,732,635	1,733,068	-	1,733,068
Fully paid preference shares	245,376	-	245,376	264,890	-	264,890
Term Finance Certificates	3,552,828	-	3,552,828	3,631,709	-	3,631,709
Sukuk Certificates	7,051,362	-	7,051,362	6,732,573	-	6,732,573
Government of Pakistan Euro Bonds	1,338,474	-	1,338,474	718,245	-	718,245
Foreign securities	23,723	-	23,723	23,382	-	23,382
	201,303,727	24,285,320	225,589,047	209,803,736	2,840,522	212,644,258
Held to maturity securities						
Government of Pakistan Euro Bonds	2,323,731	-	2,323,731	1,247,569	-	1,247,569
Sukuk Certificates	754,276	-	754,276	210,000	-	210,000
	3,078,007	-	3,078,007	1,457,569	-	1,457,569
Investment in subsidiaries						
Askari Investment Management Limited	335,000	-	335,000	335,000	-	335,000
Askari Securities Limited	114,789	-	114,789	114,789	-	114,789
Investments at cost	204,831,523	24,285,320	229,116,843	211,711,094	2,840,522	214,551,616
Provision for diminution in value of investments	(1,837,738)	-	(1,837,738)	(1,727,934)	-	(1,727,934)
Investments - net of provisions	202,993,785	24,285,320	227,279,105	209,983,160	2,840,522	212,823,682
Surplus on revaluation of available for sale securities - net	5,266,359	778,990	6,045,349	4,389,679	886	4,390,565
Total investments	208,260,144	25,064,310	233,324,454	214,372,839	2,841,408	217,214,247

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	Note	(Un-audited) March 31, 2015	(Audited) December 31, 2014
8. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		179,582,389	176,508,166
Outside Pakistan		5,012,256	5,269,273
		184,594,645	181,777,439
Lease Financing - In Pakistan		3,078,034	2,961,795
Ijarah Financing - In Pakistan		775,238	96,640
Net book value of assets / investments in Ijarah under IFAS 2			
In Pakistan	8.1	1,157,959	1,729,948
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		6,405,082	5,938,714
Payable outside Pakistan		7,366,964	6,160,983
		13,772,046	12,099,697
Advances - gross		203,377,922	198,665,519
Provision for non-performing advances	8.2		
Specific provision		(27,975,677)	(27,801,250)
General provision		(175,470)	(177,555)
General provision against consumer loans		(193,214)	(190,260)
		(28,344,361)	(28,169,065)
Advances - net of provision		175,033,561	170,496,454

8.1 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 445,074 thousand (December 31, 2014: Rs. 344,312 thousand)

8.2 Particulars of provision against non-performing advances

	March 31, 2015 - (Un-audited)				December 31, 2014 - (Audited)			
	Specific	General	Consumer Financing	Total	Specific	General	Consumer Financing	Total
	(Rupees in thousand)				(Rupees in thousand)			
Opening balance	27,801,250	177,555	190,260	28,169,065	28,279,285	150,970	183,986	28,614,241
Charge for the period / year	442,563	5,414	6,543	454,520	1,827,110	32,988	18,808	1,878,906
Reversal for the period / year	(268,136)	(7,499)	(3,589)	(279,224)	(1,943,167)	(6,403)	(12,534)	(1,962,104)
Net charge / (reversal) for the period / year	174,427	(2,085)	2,954	175,296	(116,057)	26,585	6,274	(83,198)
Amounts written off	-	-	-	-	(86,238)	-	-	(86,238)
Amounts charged off - agri loans	-	-	-	-	(275,740)	-	-	(275,740)
Closing balance	27,975,677	175,470	193,214	28,344,361	27,801,250	177,555	190,260	28,169,065

8.3 The net Forced Saled Value (FSV) benefit already availed has been increased by Rs.45,834 thousand, which has resulted in decreased charge for specific provision for the period ended by the same amount. Had the FSV benefit not availed, before and after tax profit for the period ended would have been lower by Rs. 45,834 thousand (2014: higher by Rs. 311,215 thousand) and Rs. 29,792 thousand (2014: higher by Rs. 202,290 thousand) respectively. Further, at March 31, 2015, cumulative net of tax benefit of FSV is Rs. 1,482,045 thousand (December 31, 2014: Rs.1,452,253 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. The additional impact on profitability arising from availing the benefit of FSV is not available for payment of cash or stock dividend / bonus to employees.

8.4 The Bank has availed the relaxation of Rs. 140,861 thousand (December 31, 2014: Rs. 142,530 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

8.5 Advances include Rs. 31,403,780 thousand (December 31, 2014: Rs. 31,375,729 thousand) which have been placed under non-performing status as detailed below:

March 31, 2015 - (Un-audited)					
Category of classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.5.1	230,688	-	230,688	-	-
Substandard	526,543	-	526,543	68,134	68,134
Doubtful	868,537	-	868,537	145,037	145,037
Loss	29,778,012	-	29,778,012	27,762,506	27,762,506
	31,403,780	-	31,403,780	27,975,677	27,975,677
December 31, 2014 - (Audited)					
Category of classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.5.1	306,125	-	306,125	40	40
Substandard	753,536	-	753,536	51,637	51,637
Doubtful	623,341	-	623,341	178,938	178,938
Loss	29,692,727	-	29,692,727	27,570,635	27,570,635
	31,375,729	-	31,375,729	27,801,250	27,801,250

8.5.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

	Note	(Un-audited) March 31, 2015	(Audited) December 31, 2014
		(Rupees in thousand)	
9. OPERATING FIXED ASSETS			
Capital work-in-progress		454,515	453,944
Property and equipment	9.1	7,057,440	6,785,951
Intangibles	9.2	1,069,506	1,105,270
		8,126,946	7,891,221
Provision against operating fixed assets		(45,677)	(45,677)
		<u>8,535,784</u>	<u>8,299,488</u>

9.1 Property and equipment

Book value at beginning of the period / year	6,785,951	7,358,237
Cost of additions / revaluation during the period / year	424,894	748,009
Book value of deletions / transfers during the period / year	(7,288)	(447,343)
Depreciation charge for the period / year	(146,117)	(555,143)
Book value of adjustments during the period / year	-	(317,809)
Book value at end of the period / year	<u>7,057,440</u>	<u>6,785,951</u>

9.2 Intangibles

Book value at beginning of the period / year	1,105,270	1,173,720
Cost of additions during the period / year	7,777	45,897
Amortization charge for the period / year	(43,541)	(157,651)
Book value of adjustments during the period / year	-	43,304
Book value at end of the period / year	<u>1,069,506</u>	<u>1,105,270</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
10. DEFERRED TAX ASSETS		
Deferred (credits) / debits arising due to:		
Accelerated tax depreciation and amortization	(497,105)	(481,648)
Provision against non-performing advances		
- excess of 1% of total advances	2,774,230	2,774,230
- classified in sub-standard category	71,278	71,278
	2,348,403	2,363,860
Surplus on revaluation of available for sale securities	(2,115,872)	(1,536,698)
Actuarial losses	48,173	48,173
	280,704	875,335
11. BORROWINGS		
In Pakistan local currency		
Secured		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	6,985,760	7,432,761
- Long term financing of export oriented projects	27,909	41,892
- Long term financing facility	627,537	479,199
	7,641,206	7,953,852
Repo borrowings		
- State Bank of Pakistan	22,941,086	894,753
- Financial Institutions	2,092,188	1,938,070
	25,033,274	2,832,823
Unsecured		
- Call borrowings	290,000	1,998,235
- Overdrawn balance with other banks	-	379,498
	290,000	2,377,733
	32,964,480	13,164,408
Outside Pakistan - foreign currencies		
- Overdrawn nostro accounts - unsecured	-	577,622
	32,964,480	13,742,030
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	78,337,892	91,328,822
Savings deposits	212,817,001	203,230,490
Current accounts - remunerative	506,274	566,193
Current accounts - non-remunerative	89,070,736	88,522,366
Special exporters' account	129,729	17,008
Margin accounts	2,553,651	2,452,708
Others	547,996	572,252
Financial institutions		
Remunerative deposits	1,959,448	603,878
Non-Remunerative deposits	131,396	292,903
	386,054,123	387,586,620

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2015	(Audited) December 31, 2014		(Un-audited) March 31, 2015	(Audited) December 31, 2014
Number of shares			(Rupees in thousand)	
1,600,000,000	1,600,000,000	Ordinary shares of Rs. 10 each	16,000,000	16,000,000

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2015	(Audited) December 31, 2014			
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
1,260,260,180	1,260,260,180		12,602,602	12,602,602

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of land	1,564,631	1,564,631
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	6,215,313	4,137,811
ii) Listed shares	(293,127)	166,885
iii) Units of open end mutual funds	212,763	176,629
iv) Other securities	(89,600)	(90,760)
	6,045,349	4,390,565
Less: related deferred tax	(2,115,872)	(1,536,698)
	3,929,477	2,853,867
	5,494,108	4,418,498

15. CONTINGENCIES AND COMMITMENTS

15.1 Direct credit substitutes

Others	7,326,552	6,623,269
	7,326,552	6,623,269

15.2 Transaction-related contingent liabilities

Money for which the Bank is contingently liable:

Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings.	686,225	973,315
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Contingent liability in respect of guarantees given, favouring:

i) Government	51,154,169	62,583,779
ii) Banks and other financial institutions	201,044	2,723,312
iii) Others	27,642,698	7,820,249
	78,997,911	73,127,340
	79,684,136	74,100,655

These include guarantees amounting to Rs. 1,126,320 thousand (December 31, 2014: Rs. 1,109,716 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Bank.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>66,146,254</u>	<u>63,896,465</u>
15.4 Other Contingencies		
15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.	<u>777,158</u>	<u>687,056</u>
15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs. 100 million (December 31, 2014: Rs. 100 million).		
15.5 Tax contingencies		
For the Tax Years 2005 to 2008, there is a contingent liability of Rs. 681 million on account of amendment to assessments carried out by the Tax Department in the matters of taxation of commission & brokerage income at corporate tax rate instead of final tax regime and allocating financial expenses to exempt income and income taxable at a lower rate. Such issues have however been decided in the Bank's favour by the CIR (A) for the Tax Year 2008 except for the matter of allocation of financial expenses. The Bank's appeals are pending decision by the ATIR with respect to matters not decided in its favour.		
	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
15.6 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	2,728,992	2,020,072
Sale and repurchase agreements	<u>25,055,311</u>	<u>2,851,757</u>
15.7 Commitments in respect of forward exchange contracts		
Purchase	44,085,899	37,365,321
Sale	<u>44,777,825</u>	<u>29,097,183</u>
The above commitments have maturities falling within one year.		
15.8 Commitments for acquisition of operating fixed assets	<u>217,789</u>	<u>299,779</u>
15.9 Commitments to extend credit		
The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for		
	<u>12,179,763</u>	<u>11,788,818</u>
15.10 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.	<u>300,000</u>	<u>300,000</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

15.11 Bills For Collection

Payable in Pakistan

Payable outside Pakistan

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
	1,326,863	898,052
	14,784,648	13,233,935
	<u>16,111,511</u>	<u>14,131,987</u>

	(Un-audited) March 31, 2015	(Un-audited) March 31, 2014
	(Rupees in thousand)	

16. GAIN ON SALE OF SECURITIES - NET

Gain on sale of government securities

Gain on sale of other investments

	565,711	24,531
	<u>264,820</u>	<u>655,424</u>
	<u>830,531</u>	<u>679,955</u>

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Sub-Ordinated Loans	Total
	Rupees in '000							
	For the quarter ended March 31, 2015 - (Un-audited)							
Total income	51,157	337,881	314,262	10,371,408	13,997	5,401	-	11,094,106
Total expenses	13,308	87,898	53,989	8,909,812	3,641	1,405	124,438	9,194,491
Net income / (loss)	37,849	249,983	260,273	1,461,596	10,356	3,996	(124,438)	1,899,615
	For the quarter ended March 31, 2014 - (Un-audited)							
Total income	65,360	226,181	308,427	8,458,659	13,284	5,382	-	9,077,293
Total expenses	19,620	67,898	59,818	7,351,453	3,988	1,615	121,634	7,626,026
Net income / (loss)	45,740	158,283	248,609	1,107,206	9,296	3,767	(121,634)	1,451,267
	As at March 31, 2015 - (Un-audited)							
Segment Assets (Gross)	81,294	536,932	17,449,938	483,796,108	22,243	8,583	-	501,895,098
Segment Non Performing Loans	-	-	2,477,606	28,926,174	-	-	-	31,403,780
Segment Provision Required	-	-	2,359,236	27,971,467	-	-	-	30,330,703
Segment Liabilities	1,068	7,053	28,548,553	410,061,037	292	113	8,161,048	446,779,164
Segment return on net assets (%)	0.04	0.29	0.27	9.03	0.01	-	-	-
Segment cost of funds (%)	0.01	0.08	0.05	7.76	-	-	0.11	-
	As at December 31, 2014 - (Audited)							
Segment Assets (Gross)	84,445	167,900	17,480,805	459,560,255	24,490	9,876	-	477,327,771
Segment Non Performing Loans	-	-	2,524,600	28,851,129	-	-	-	31,375,729
Segment Provision Required	-	-	2,387,400	27,857,826	-	-	-	30,245,226
Segment Liabilities	822	1,634	27,678,028	387,655,314	238	96	8,039,352	423,375,484
Segment return on net assets (%)	0.04	0.08	0.32	9.02	0.01	-	-	-
Segment cost of funds (%)	0.01	0.02	0.07	7.88	-	-	0.12	-

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

18. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited ("the Parent") holds 71.91% (December 31, 2014: 71.91%) of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Details of transactions with related parties during the quarter and balances as at March 31, 2015, are as follows:

	March 31, 2015 - (Un-audited)						December 31, 2014 - (Audited)					
	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated and Subsidiary Companies	Employee Funds	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated and Subsidiary Companies	Employee Funds
Balances outstanding as at												
Advances	81,395	210,485	104	-	2,545,808	-	572,699	174,807	673	-	2,519,946	-
Deposits	7,986,623	77,812	27,902	658,836	6,255,811	78,853	6,904,596	37,646	100,879	468,531	5,262,016	139,933
Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	4,610,151	-	-	920,042	-	-	5,495,137	-	-	-	894,301	-
Investments in shares / units - at cost	-	-	-	1,738,315	449,789	-	-	-	-	1,738,315	449,789	-
Security deposits against lease	-	704	-	-	1,823	-	-	-	-	-	1,823	-
Assets held for sale	-	-	-	-	53,703	-	-	-	-	-	53,703	-
Transactions during the quarter ended												
Mark-up / interest earned	3,005	1,790	-	-	78,219	-	726	1,079	-	-	85,666	-
Net mark-up / interest expensed	119,622	694	179	10,495	118,138	4,921	42,946	583	1,314	9,066	114,062	4,098
Contributions to employees' funds	-	-	-	-	-	127,734	-	-	-	-	-	101,648
Investment in units of AIML funds - at cost	-	-	-	-	-	-	-	-	-	116,607	-	-
Sale of units of AIML funds - at cost	-	-	-	-	-	-	-	-	-	92,786	-	-
Rent of property / service charges received	-	-	-	-	-	-	-	-	-	8,944	6,265	-
Dividend income received	-	-	-	-	-	-	-	-	-	4,751	-	-
Remuneration paid	-	71,390	-	-	-	-	-	36,964	-	-	-	-
Post employment benefits	-	4,248	-	-	-	-	-	2,888	-	-	-	-
Insurance premium paid	-	-	-	-	3,140	-	-	-	-	-	1,381	-
Insurance claims received	-	-	-	-	673	-	-	-	-	-	216	-
Fee, commission and brokerage income	1,559	-	-	-	2,134	-	21	-	-	-	2,581	-
Fee, commission and brokerage expense	-	-	-	-	2	-	-	-	-	-	24	-
Fees paid	-	-	1,100	-	-	-	-	-	1,200	-	-	-

19. Date of Authorisation

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on April 22, 2015.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Islamic Banking Business - Statement of Financial Position

As at March 31, 2015

Annexure

(1 of 3)

The Bank is operating 53 Islamic banking branches including 1 sub-branch at the end of March 31, 2015 as compared to 53 Islamic banking branches including 1 sub-branch at the end of December 31, 2014.

		March 31, 2015	December 31, 2014
	Note	(Rupees in thousand)	
ASSETS			
Cash and balances with treasury banks		1,553,925	1,362,316
Balances with other banks		3,621,189	5,718,849
Due from financial institutions		3,209,112	1,427,753
Investments		5,874,466	5,873,828
Islamic financing and related assets	A-2.1	10,685,807	10,052,972
Operating fixed assets		370,164	306,939
Deferred tax assets		-	-
Other assets		1,004,839	855,022
Total Assets		26,319,502	25,597,679
LIABILITIES			
Bills payable		453,457	286,036
Due to Financial Institutions		-	-
Deposits and other accounts			
-Current Accounts		6,000,218	6,686,585
-Saving Accounts	A-3	9,453,861	8,670,358
-Term Deposits		5,669,723	5,686,258
-Others		114,948	158,892
-Deposit from Financial Institutions - remunerative		1,413,503	17,073
-Deposits from Financial Institutions - non-remunerative		221	1,553
Due to Head Office		1,200,000	1,875,000
Other liabilities		606,463	880,386
		24,912,394	24,262,141
Net Assets		1,407,108	1,335,538
REPRESENTED BY			
Islamic Banking Fund		1,850,000	1,850,000
Reserves		-	-
Unappropriated / unremitted loss		(460,610)	(499,213)
		1,389,390	1,350,787
Surplus / (deficit) on revaluation of assets		17,718	(15,249)
		1,407,108	1,335,538
Remuneration to Shariah Advisor / Board		396	1,598
A-2.1 Islamic Financing and Related Assets			
Islamic modes of financing	A-2.1.1	10,399,491	9,872,132
Advance against islamic financing		286,316	180,840
Inventories		-	-
		10,685,807	10,052,972
A-2.1.1 Islamic modes of Financing			
Murabaha		1,392,011	2,094,546
Ijara		1,805,411	1,700,298
Musharaka		400,000	450,000
Diminishing Musharaka		3,607,756	3,257,300
Salam		3,159,216	2,333,674
Other Islamic Modes		35,097	36,314
		10,399,491	9,872,132

A-3 These includes remunerative current accounts of Rs. 506,274 thousand (December 31, 2014: Rs. 566,193 thousand)

Islamic Banking Business - Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2015

Annexure
(2 of 3)

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
Profit / return earned on financings, investments and placements	501,766	354,206
Return on deposits and other dues expensed	243,890	213,782
Net spread earned	257,876	140,424
Provision / (reversal of provision) against non-performing financings	2,037	(21,115)
Provision against consumer financings	-	-
Provision for diminution in the value of investments	11,738	26,434
Bad debts written off directly	-	-
	13,775	5,319
Income after provisions	244,101	135,105
Other Income		
Fee, commission and brokerage Income	10,418	7,199
Dividend income	-	-
Income from dealing in foreign currencies	1,280	159
Capital gain on sale of securities	3,650	-
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	7,118	9,924
Total other income	22,466	17,282
	266,567	152,387
Other expenses		
Administrative expenses	227,834	180,855
Other provisions / write offs	-	-
Other charges	130	-
Total other expenses	227,964	180,855
	38,603	(28,468)
Extra Ordinary / unusual items	-	-
Profit / (loss) before taxation	38,603	(28,468)

Islamic Banking Business - Statement of Sources and Uses of Charity Fund

For the quarter ended March 31, 2015

Annexure
(3 of 3)

	March 31, 2015	December 31, 2014
	(Rupees in thousand)	
Opening balance	2,096	677
Additions during the period / year		
- received from customers on delayed payments	1,305	3,861
- Non shariah compliant income	5	536
- profit on charity account	-	2
	1,310	4,399
Payments/ utilization during the period / year		
- health	-	(500)
- Relief and disaster recovery	-	(2,480)
	-	(2,980)
Closing balance	3,406	2,096

ASKARI BANK LIMITED
& ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (Un-Audited)
FOR THE QUARTER ENDED MARCH 31, 2015

Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at March 31, 2015

		(Un-audited) March 31, 2015	(Audited) December 31, 2014
		(Rupees in thousand)	
Assets	Note		
Cash and balances with treasury banks		24,513,465	19,130,113
Balances with other banks		6,723,259	7,121,128
Lendings to financial institutions		6,132,718	3,427,753
Investments	7	233,319,149	217,213,560
Advances	8	175,042,542	170,501,323
Operating fixed assets	9	8,583,456	8,350,849
Assets held for sale		201,582	201,582
Deferred tax assets	10	303,115	897,746
Other assets		17,159,838	20,767,647
		471,979,124	447,611,701
Liabilities			
Bills payable		10,937,088	6,855,020
Borrowings	11	32,964,480	13,742,030
Deposits and other accounts	12	385,994,094	387,534,873
Sub-ordinated loans		7,992,000	7,992,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		8,971,630	7,460,863
		446,859,292	423,585,586
Net Assets		25,119,832	24,026,115
Represented By:			
Share capital	13	12,602,602	12,602,602
Reserves		5,679,958	4,823,093
Unappropriated profit		1,310,161	2,150,715
		19,592,721	19,576,410
Non-controlling interest		33,003	32,134
		19,625,724	19,608,544
Surplus on revaluation of assets - net of tax	14	5,494,108	4,417,571
		25,119,832	24,026,115
Contingencies and Commitments	15		

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2015

	Note	Quarter ended March 31, 2015	Quarter ended March 31, 2014
		(Rupees in thousand)	
Mark-up / return / interest earned		9,508,784	7,559,640
Mark-up / return / interest expensed		5,980,353	5,016,595
Net mark-up / interest income		3,528,431	2,543,045
Provision / (reversal of provision) against non-performing loans and advances - net	8.2	175,296	(233,707)
Impairment loss on available for sale investments		42,154	35,153
Provision for diminution in the value of investments - net		109,804	82,397
Bad debts written off directly		-	-
		327,254	(116,157)
Net mark-up / interest income after provisions		3,201,177	2,659,202
Non mark-up / interest income			
Fee, commission and brokerage income		354,686	365,327
Dividend income		43,984	49,008
Income from dealing in foreign currencies		232,248	298,970
Gain on sale of securities - net	16	832,349	679,955
Unrealised gain on revaluation of investments classified as held for trading - net		3,017	3,230
Other income		178,032	173,001
		1,644,316	1,569,491
Total non-markup / interest income		4,845,493	4,228,693
Non mark-up / interest expenses			
Administrative expenses		2,868,144	2,768,813
Other provisions / write offs		118	-
Other charges		60,094	3
Total non-markup / interest expenses		2,928,356	2,768,816
		1,917,137	1,459,877
Share of profit of associate		-	11,616
Extra ordinary / unusual items		-	-
Profit before taxation		1,917,137	1,471,493
Taxation - current		627,162	32,366
- prior years'		-	-
- deferred		15,457	398,655
		642,619	431,021
Profit after taxation		1,274,518	1,040,472
Attributable to:			
Equity holders of the Bank		1,273,649	1,039,735
Non-controlling interest		869	737
		1,274,518	1,040,472

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	(Rupees in thousand)	
Profit after taxation	1,274,518	1,040,472
Other comprehensive income		
Items that are or may be reclassified subsequently		
to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	2,922	(13,590)
Comprehensive income - transferred to statement of changes in equity	1,277,440	1,026,882
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	3,929,477	459,768
Total comprehensive income	<u>5,206,917</u>	<u>1,486,650</u>
Attributable to:		
Equity holders of the Bank	5,206,048	1,485,913
Non-controlling interest	869	737
	<u>5,206,917</u>	<u>1,486,650</u>

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2015

	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,917,137	1,471,493
Less: dividend income	(43,984)	(49,008)
	1,873,153	1,422,485
Adjustments:		
Depreciation / amortization	192,461	187,030
Provision / (reversal of provision) against non-performing advances - net	175,296	(233,707)
Impairment loss on sale of investments	42,154	35,153
Provision for diminution in the value of investments - net	109,804	82,397
Unrealised gain on revaluation of investments classified as held for trading - net	(3,017)	(3,230)
Net profit on sale of operating fixed assets	(1,927)	(13,161)
Share of profit of associate	-	(11,616)
	514,771	42,866
	2,387,924	1,465,351
(Increase) / decrease in operating assets		
Lendings to financial institutions	(723,606)	1,209,106
Held for trading securities	(5,590)	(21,589)
Advances	(4,647,831)	(6,230,449)
Other assets (excluding advance taxation)	3,007,259	(799,099)
	(2,369,768)	(5,842,031)
Increase / (decrease) in operating liabilities		
Bills payable	4,082,068	(619,991)
Borrowings	19,222,450	18,240,195
Deposits and other accounts	(1,540,779)	(27,807,890)
Other liabilities (excluding current taxation)	251,383	3,447,054
	22,015,122	(6,740,632)
Cash flow before tax	22,033,278	(11,117,312)
Income tax paid	(54,178)	(142,596)
Net cash inflow / (outflow) from operating activities	21,979,100	(11,259,908)
Cash flow from investing activities		
Net investments in available for sale securities	(12,972,335)	11,853,348
Net investments in held to maturity securities	(1,620,438)	91,293
Dividend income	2,410	35,102
Investments in operating fixed assets	(433,582)	(169,680)
Sale proceeds of operating fixed assets	10,441	15,851
Net cash (outflow) / inflow from investing activities	(15,013,504)	11,825,914
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	-
Dividends paid	(876)	(546)
Net cash outflow from financing activities	(1,676)	(546)
Effect of translation of net investment in Wholesale Bank Branch	2,922	(13,590)
Increase in cash and cash equivalents	6,966,842	551,870
Cash and cash equivalents at beginning of the period	27,678,994	35,229,366
Cash and cash equivalents at end of the period	34,645,836	35,781,236
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	24,513,465	27,298,542
Balances with other banks	6,723,259	8,482,694
Call money lendings	3,409,112	-
	34,645,836	35,781,236

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2015

	(Rupees in thousand)								
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue Reserves		Sub-total	Non-controlling interest	Total
					General reserve	Unappropriated profit			
Balance as at January 01, 2014	12,602,602	99,009	234,669	3,899,517	1,379,221	(1,370,719)	16,844,299	31,359	16,875,658
Transfer to General reserve:	-	-	-	-	(1,582,626)	1,582,626	-	-	-
Total comprehensive income for the quarter ended March 31, 2014									
Net profit for the quarter ended March 31, 2014	-	-	-	-	-	1,039,735	1,039,735	737	1,040,472
Other comprehensive income related to equity	-	(13,590)	-	-	-	-	(13,590)	-	(13,590)
	-	(13,590)	-	-	-	1,039,735	1,026,145	737	1,026,882
Transfer to Statutory reserve	-	-	-	204,134	-	(204,134)	-	-	-
Balance as at March 31, 2014	12,602,602	85,419	234,669	4,103,651	(203,405)	1,047,508	17,870,444	32,096	17,902,540
Total comprehensive income for the nine months ended December 31, 2014									
Net profit for the nine months ended December 31, 2014	-	-	-	-	-	3,053,280	3,053,280	(28)	3,053,252
Other comprehensive income related to equity	-	3,907	-	-	-	(90,961)	(87,054)	66	(86,988)
	-	3,907	-	-	-	2,962,319	2,966,226	38	2,966,264
Transfer to:									
Statutory reserve	-	-	-	598,852	-	(598,852)	-	-	-
	12,602,602	89,326	234,669	4,702,503	(203,405)	3,410,975	20,836,670	32,134	20,868,804
Transaction with owners, recorded directly in equity									
Interim dividend 2014: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)	-	(1,260,260)
Balance as at December 31, 2014	12,602,602	89,326	234,669	4,702,503	(203,405)	2,150,715	19,576,410	32,134	19,608,544
Transfer to General reserve	-	-	-	-	1,862,223	(1,862,223)	-	-	-
Total comprehensive income for the quarter ended March 31, 2015									
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,273,649	1,273,649	869	1,274,518
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922	-	2,922
	-	2,922	-	-	-	1,273,649	1,276,571	869	1,277,440
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-	-	-
Transaction with owners, recorded directly in equity									
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	12,602,602	92,248	234,669	4,954,483	398,558	1,310,161	19,592,721	33,003	19,625,724

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 1, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2015. The ultimate percent of the bank in Fauji Foundation. The Bank has 321 branches (December 31, 2014: 321 branches); 320 in Pakistan and Azad Jammu and Kashmir, including 53 (December 31, 2014: 53) Islamic Banking branches, 31 (December 31, 2014: 31) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

Askari Investment Management Limited (AIML) was incorporated in Pakistan on May 30, 2005 as public limited company. AIML is Non-Banking Finance Company (NBFC), under license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management and investment advisory services under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC & NE Regulations). The License was obtained on September 21, 2005. AIML is wholly owned subsidiary of the Bank with its registered office in Karachi. AIML obtained its certificate of commencement of business on September 22, 2005.

Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the Companies Ordinance, 1984 as a public limited company and obtained corporate membership of the Islamabad Stock Exchange on December 24, 1999. The Bank acquired 74% ordinary shares of ASL on October 1, 2007. The Principal activity includes share brokerage, investment advisory and consultancy services. The registered office of the company is situated at ISE Towers, 55-B, Jinnah Avenue, Islamabad.

The financial statements of AIML and ASL have been consolidated based on their un-audited financial statements for the quarter ended March 31, 2015.

2. BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim consolidated financial information is presented in Pak Rupee which is the Group's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the quarter ended March 31, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

The disclosures made in this condensed interim consolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2014.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for the banks. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2014.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2014.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements of the Group for the year ended December 31, 2014.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

7. INVESTMENTS

	March 31, 2015 - (Un-audited)			December 31, 2014 - (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	Rupees in '000			Rupees in '000		
7.1 Investments by types:						
Held for trading securities						
Fully paid ordinary shares	31	-	31	38	-	38
Pakistan Investment Bonds	-	-	-	21,972	-	21,972
Units of open end mutual funds	208,829	-	208,829	162,137	-	162,137
	208,860	-	208,860	184,147	-	184,147
Available for sale securities						
Market Treasury Bills	101,878,460	2,094,507	103,972,967	95,363,586	2,840,522	98,204,108
Pakistan Investment Bonds	82,503,956	22,190,813	104,694,769	98,717,375	-	98,717,375
Fully paid ordinary shares / units	3,021,492	-	3,021,492	2,663,487	-	2,663,487
Units of open end mutual funds	1,732,635	-	1,732,635	1,733,068	-	1,733,068
Fully paid preference shares	245,376	-	245,376	264,890	-	264,890
Term Finance Certificates	3,552,828	-	3,552,828	3,631,709	-	3,631,709
Sukuk Certificates	7,051,362	-	7,051,362	6,747,181	-	6,747,181
Government of Pakistan Euro Bonds	1,338,474	-	1,338,474	718,245	-	718,245
Foreign securities	23,723	-	23,723	23,382	-	23,382
	201,348,306	24,285,320	225,633,626	209,862,923	2,840,522	212,703,445
Held to maturity securities						
Government of Pakistan Euro Bonds	2,323,731	-	2,323,731	1,247,569	-	1,247,569
Sukuk Certificates	754,276	-	754,276	210,000	-	210,000
	3,078,007	-	3,078,007	1,457,569	-	1,457,569
Investments at cost	204,635,173	24,285,320	228,920,493	211,504,639	2,840,522	214,345,161
Provision for diminution in value of investments	(1,649,711)	-	(1,649,711)	(1,539,907)	-	(1,539,907)
Investments - net of provisions	202,985,462	24,285,320	227,270,782	209,964,732	2,840,522	212,805,254
Unrealized gain on revaluation of held for trading securities - net	3,018	-	3,018	19,123	-	19,123
Surplus on revaluation of available for sale securities - net	5,266,359	778,990	6,045,349	4,388,297	886	4,389,183
Total investments	208,254,839	25,064,310	233,319,149	214,372,152	2,841,408	217,213,560

8. ADVANCES

	Note		(Un-audited) March 31, 2015	(Audited) December 31, 2014
			(Rupees in thousand)	
Loans, cash credits, running finances, etc.				
In Pakistan			179,591,370	176,513,035
Outside Pakistan			5,012,256	5,269,273
			184,603,626	181,782,308
Lease Financing - In Pakistan			3,078,034	2,961,795
Ijarah Financing - In Pakistan			775,238	96,640
Net book value of assets / investments in Ijarah under IFAS 2				
In Pakistan	8.1		1,157,959	1,729,948
Bills discounted and purchased (excluding treasury bills)				
Payable in Pakistan			6,405,082	5,938,714
Payable outside Pakistan			7,366,964	6,160,983
			13,772,046	12,099,697
Advances - gross			203,386,903	198,670,388
Provision for non-performing advances	8.2			
Specific provision			(27,975,677)	(27,801,250)
General provision			(175,470)	(177,555)
General provision against consumer loans			(193,214)	(190,260)
			(28,344,361)	(28,169,065)
Advances - net of provision			175,042,542	170,501,323

8.1 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 445,074 thousand (December 31, 2014: Rs. 344,312 thousand)

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

8.2 Particulars of provision against non-performing advances

	March 31, 2015 - (Un-audited)				December 31, 2014 - (Audited)			
	Specific	General	Consumer Financing General	Total	Specific	General	Consumer Financing General	Total
	(Rupees in thousand)				(Rupees in thousand)			
Opening balance	27,801,250	177,555	190,260	28,169,065	28,279,285	150,970	183,986	28,614,241
Charge for the period / year	442,563	5,414	6,543	454,520	1,827,110	32,988	18,808	1,878,906
Reversal for the period / year	(268,136)	(7,499)	(3,589)	(279,224)	(1,943,167)	(6,403)	(12,534)	(1,962,104)
Net charge / (reversal) for the period / year	174,427	(2,085)	2,954	175,296	(116,057)	26,585	6,274	(83,198)
Amounts written off	-	-	-	-	(86,238)	-	-	(86,238)
Amounts charged off - agri loans	-	-	-	-	(275,740)	-	-	(275,740)
Closing balance	27,975,677	175,470	193,214	28,344,361	27,801,250	177,555	190,260	28,169,065

8.3 The net Forced Saled Value (FSV) benefit already availed has been increased by Rs.45,834 thousand, which has resulted in decreased charge for specific provision for the period ended by the same amount. Had the FSV benefit not availed, before and after tax profit for the period ended would have been lower by Rs. 45,834 thousand (2014: higher by Rs. 311,215 thousand) and Rs. 29,792 thousand (2014: higher by Rs. 202,290 thousand) respectively. Further, at March 31, 2015, cumulative net of tax benefit of FSV is Rs. 1,482,045 thousand (December 31, 2014: Rs. 1,452,253 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. The additional impact on profitability arising from availing the benefit of FSV is not available for payment of cash or stock dividend / bonus to employees.

8.4 The Bank has availed the relaxation of Rs. 140,861 thousand (December 31, 2014: Rs. 142,530 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

8.5 Advances include Rs. 31,403,780 thousand (December 31, 2014: Rs. 31,375,729 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2015 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.5.1	230,688	-	230,688	-	-
Substandard	526,543	-	526,543	68,134	68,134
Doubtful	868,537	-	868,537	145,037	145,037
Loss	29,778,012	-	29,778,012	27,762,506	27,762,506
	31,403,780	-	31,403,780	27,975,677	27,975,677

Category of classification	December 31, 2014 - (Audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.5.1	306,125	-	306,125	40	40
Substandard	753,536	-	753,536	51,637	51,637
Doubtful	623,341	-	623,341	178,938	178,938
Loss	29,692,727	-	29,692,727	27,570,635	27,570,635
	31,375,729	-	31,375,729	27,801,250	27,801,250

8.5.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

9. OPERATING FIXED ASSETS	Note	(Un-audited)	(Audited)
		March 31, 2015	December 31, 2014
		(Rupees in thousand)	
Capital work-in-progress		454,515	453,944
Property and equipment	9.1	7,088,360	6,820,193
Intangibles	9.2	1,086,258	1,122,389
		8,174,618	7,942,582
Provision against operating fixed assets		(45,677)	(45,677)
		8,583,456	8,350,849

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
9.1 Property and equipment		
Book value at beginning of the period / year	6,820,193	7,395,311
Cost of additions during the period / year	425,234	755,229
Book value of deletions / transfers during the period / year	(8,514)	(448,120)
Depreciation charge for the period / year	(148,553)	(564,417)
Book value of adjustments during the period / year	-	(317,810)
Book value at end of the period / year	<u>7,088,360</u>	<u>6,820,193</u>
9.2 Intangibles		
Book value at beginning of the period / year	1,122,389	1,192,654
Cost of additions during the period / year	7,777	45,897
Amortization charge for the period / year	(43,908)	(159,466)
Book value of adjustments during the period / year	-	43,304
Book value at end of the period / year	<u>1,086,258</u>	<u>1,122,389</u>
10. DEFERRED TAX ASSETS		
Deferred (credits) / debits arising due to:		
Accelerated tax depreciation	(499,815)	(483,813)
Provision for staff benefits	(1,149)	1,153
Provision against non performing advances		
- excess of 1% of total advances	2,774,230	2,774,230
- classified in sub-standard category	71,584	71,278
Unused tax losses	25,964	20,422
	<u>2,370,814</u>	<u>2,383,270</u>
Surplus on revaluation of available for sale securities	(2,115,872)	(1,536,241)
Actuarial losses	48,173	50,717
	<u>(2,067,699)</u>	<u>(1,485,524)</u>
	<u>303,115</u>	<u>897,746</u>
11. BORROWINGS		
In Pakistan local currency		
Secured		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	6,985,760	7,432,761
- Long term financing of export oriented projects	27,909	41,892
- Long term financing facility	627,537	479,199
	<u>7,641,206</u>	<u>7,953,852</u>
Repo borrowings		
- State Bank of Pakistan	22,941,086	894,753
- Financial Institution	2,092,188	1,938,070
	<u>25,033,274</u>	<u>2,832,823</u>
Unsecured		
- Call borrowings	290,000	1,998,235
- Overdrawn balance with other banks	-	379,498
	<u>290,000</u>	<u>2,377,733</u>
	<u>32,964,480</u>	<u>13,164,408</u>
Outside Pakistan - foreign currencies		
- Overdrawn nostro accounts - unsecured	-	577,622
	<u>32,964,480</u>	<u>13,742,030</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	78,337,892	91,328,822
Savings deposits	212,756,972	203,230,490
Current accounts - remunerative	506,274	566,193
Current accounts - non-remunerative	89,070,736	88,516,497
Special exporters' account	129,729	17,008
Margin accounts	2,553,651	2,452,708
Others	547,996	526,374
Financial institutions		
Remunerative deposits	1,959,448	603,878
Non-Remunerative deposits	131,396	292,903
	<u>385,994,094</u>	<u>387,534,873</u>

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2015	(Audited) December 31, 2014		(Un-audited) March 31, 2015	(Audited) December 31, 2014
Number of shares			(Rupees in thousand)	
<u>1,600,000,000</u>	<u>1,600,000,000</u>	Ordinary shares of Rs. 10 each	<u>16,000,000</u>	<u>16,000,000</u>

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2015	(Audited) December 31, 2014			
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
<u>1,260,260,180</u>	<u>1,260,260,180</u>		<u>12,602,602</u>	<u>12,602,602</u>

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of land	1,564,631	1,564,631
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	6,215,313	4,137,811
ii) Listed shares	(293,127)	165,501
iii) Units of open end mutual funds	212,763	176,629
iv) Other securities	(89,600)	(90,760)
	6,045,349	4,389,181
Less: related deferred tax	(2,115,872)	(1,536,241)
	<u>3,929,477</u>	<u>2,852,940</u>
	<u>5,494,108</u>	<u>4,417,571</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
Others	7,326,552	6,623,269
	<u>7,326,552</u>	<u>6,623,269</u>
15.2 Transaction-related contingent liabilities		
Money for which the Group is contingently liable:		
Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings	686,225	973,315
Contingent liability in respect of guarantees given, favouring:		
i) Government	51,154,169	62,583,779
ii) Banks and other financial institutions	201,044	2,723,312
iii) Others	27,642,698	7,820,249
	<u>78,997,991</u>	<u>73,127,340</u>
	<u>79,684,136</u>	<u>74,100,655</u>

These include guarantees amounting to Rs. 1,126,320 thousand (December 31, 2014: Rs. 1,109,716 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Group.

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>66,146,254</u>	<u>63,896,465</u>

15.4 Other Contingencies

15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.

	<u>777,158</u>	<u>687,056</u>
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15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs.100 million (December 31, 2014: Rs. 100 million).

15.5 Tax contingencies

- For the Tax Years 2005 to 2008, there is a contingent liability of Rs. 681 million on account of amendment to assessments carried out by the Tax Department in the matters of taxation of commission & brokerage income at corporate tax rate instead of final tax regime and allocating financial expenses to exempt income and income taxable at a lower rate. Such issues have however been decided in the Bank's favour by the CIR (A) for the Tax Year 2008 except for the matter of allocation of financial expenses. The Bank's appeals are pending decision by the ATIR with respect to matters not decided in its favour.
- Income tax demand of Rs. 9,565 thousand, not acknowledged as debt, has been challenged by ASL and are currently in appeal; ASL expects favourable outcome of appeal.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	(Rupees in thousand)	
15.6 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	2,728,992	2,020,072
Sale and repurchase agreements	<u>25,055,311</u>	<u>2,851,757</u>
15.7 Commitments in respect of forward exchange contracts		
Purchase	44,085,899	37,365,321
Sale	<u>44,777,825</u>	<u>29,097,183</u>
15.8 Commitments for acquisition of operating fixed assets	<u>257,169</u>	<u>299,779</u>
15.9 Commitments in respect of forward sale of listed equity securities		
Sale	<u>53,633</u>	<u>96,058</u>
15.10 Commitments to extend credit		
The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for	<u>12,179,763</u>	<u>11,788,818</u>
15.11 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.	<u>300,000</u>	<u>300,000</u>
15.12 Bills for collection		
Payable in Pakistan	1,326,863	898,052
Payable outside Pakistan	<u>14,784,648</u>	<u>13,233,935</u>
	<u>16,111,511</u>	<u>14,131,987</u>
	(Un-audited) March 31, 2015	(Un-audited) March 31, 2014
	(Rupees in thousand)	
16. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	565,711	24,531
Gain on sale of other investments	<u>266,638</u>	<u>655,424</u>
	<u>832,349</u>	<u>679,955</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Assets Management	Retail Brokerage	Sub-Ordinated Loans	Total
	Rupees in '000									
	For the quarter ended March 31, 2015 - (Un-audited)									
Total income	51,157	337,881	314,262	10,369,718	13,997	5,401	46,634	14,050	-	11,153,100
Total expenses	13,308	87,898	53,989	8,905,220	3,641	1,405	35,706	10,358	124,438	9,235,963
Net income / (loss)	37,849	249,983	260,273	1,464,498	10,356	3,996	10,928	3,692	(124,438)	1,917,137
	For the quarter ended March 31, 2014 - (Un-audited)									
Total income	65,360	226,181	308,427	8,458,659	11,724	5,382	41,360	12,038	-	9,129,131
Total expenses	19,620	67,898	59,818	7,349,500	3,988	1,615	35,909	9,272	121,634	7,669,254
Net income / (loss)	45,740	158,283	248,609	1,109,159	7,736	3,767	5,451	2,766	(121,634)	1,459,877
	As at March 31, 2015 - (Un-audited)									
Segment Assets (Gross)	81,294	536,932	17,449,938	483,657,117	22,243	8,583	394,810	208,467	-	502,359,384
Segment Non Performing Loans	-	-	2,477,606	28,926,174	-	-	-	-	-	31,403,780
Segment Provision Required	-	-	2,359,236	27,783,440	-	-	-	66,216	-	30,208,892
Segment Liabilities	1,068	7,053	28,548,553	409,994,325	292	113	74,074	72,766	8,161,048	446,859,292
Segment return on net assets (%)	0.04	0.29	0.27	9.02	0.01	-	0.04	0.01	-	
Segment cost of funds (%)	0.01	0.08	0.05	8.18	-	-	0.03	0.01	0.11	
	As at December 31, 2014 - (Audited)									
Segment Assets (Gross)	84,445	167,900	17,480,805	459,196,420	24,490	9,876	493,240	277,939	-	477,735,115
Segment Non Performing Loans	-	-	2,524,600	28,851,129	-	-	-	-	-	31,375,729
Segment Provision Required	-	-	2,387,400	27,669,799	-	-	-	66,215	-	30,123,414
Segment Liabilities	822	1,634	27,678,028	387,602,268	238	96	183,434	79,714	8,039,352	423,585,586
Segment return on net assets (%)	0.04	0.08	0.32	9.02	0.01	-	0.04	0.01	-	
Segment cost of funds (%)	0.01	0.02	0.08	8.29	-	-	0.04	0.01	0.12	

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2015

18. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited ("the Parent") holds 71.91% (December 31, 2014: 71.91%) of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds. Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Details of transactions with related parties during the quarter and balances as at March 31, 2015 are as follows:

	March 31, 2015 - (Unaudited)						December 31, 2014 - (Audited)					
	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds'	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds'
(Rupees in thousand)												
Balances outstanding as at												
Advances	81,395	210,485	104	-	2,545,808	-	572,699	174,807	673	-	2,519,946	-
Deposits	7,986,623	77,812	27,902	658,836	6,255,811	84,489	6,904,596	37,646	100,879	468,531	5,210,269	139,933
Outstanding commitments and contingent liabilities for												
irrevocable commitments and contingencies	4,610,151	-	-	920,042	-	-	5,495,137	-	-	-	894,301	-
Investment in shares / units - at cost	-	-	-	1,738,315	-	-	-	-	-	1,738,315	-	-
Reimbursable expenses on behalf of												
Askari High Yield Scheme	-	-	-	20,051	-	-	-	-	-	14,812	-	-
Management fee and commission receivable from												
Askari High Yield Scheme (AHYS)	-	-	-	7,082	-	-	-	-	-	428	-	-
Reimbursable expenses on behalf of												
Askari Asset Allocation Fund	-	-	-	574	-	-	-	-	-	1,627	-	-
Management fee and commission receivable												
from Askari Asset Allocation Fund (AAAF)	-	-	-	2,068	-	-	-	-	-	334	-	-
Reimbursable expenses on behalf of												
Askari Islamic Income Fund	-	-	-	2,374	-	-	-	-	-	1,683	-	-
Management fee and commission receivable												
from Askari Islamic Income Fund (AIIF)	-	-	-	468	-	-	-	-	-	31	-	-
Management fee and commission receivable from												
Askari Islamic Asset Allocation Fund (AIAAF)	-	-	-	256	-	-	-	-	-	1,081	-	-
Reimbursable expenses on behalf of												
Askari Islamic Asset Allocation Fund	-	-	-	1,248	-	-	-	-	-	16	-	-
Reimbursable expenses on behalf of												
Askari Sovereign Cash Fund	-	-	-	18,594	-	-	-	-	-	15,121	-	-
Management fee and commission receivable												
from Askari Sovereign Cash Fund (ASCF)	-	-	-	3,199	-	-	-	-	-	200	-	-
Reimbursable expenses on behalf of												
Askari Equity Fund	-	-	-	1,324	-	-	-	-	-	20	-	-
Management fee and commission receivable												
Askari Equity Fund (AEF)	-	-	-	371	-	-	-	-	-	1,051	-	-
Management fee and commission receivable												
Askari Sovereign Yield Enhancer (ASYE)	-	-	-	4,540	-	-	-	-	-	39	-	-
Reimbursable expenses on behalf of												
Askari Sovereign Yield Enhancer (ASYE)	-	-	-	901	-	-	-	-	-	3,882	-	-
Pre-paid insurance premium by AML	-	-	-	-	-	-	-	-	-	-	1,155	-
Payable to employee funds	-	-	-	-	-	9,928	-	-	-	-	-	7,895
	March 31, 2015 - (Unaudited)						March 31, 2014 - (Unaudited)					
	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds'	Parent	Key management personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds'
Transactions during the quarter ended												
Mark-up / interest earned	3,005	1,790	-	-	78,219	-	726	1,079	-	-	85,666	-
Mark-up / interest expensed	119,622	694	179	10,495	118,138	4,921	42,946	583	1,314	9,066	114,062	4,098
Contributions to employees' funds	-	-	-	-	-	128,390	-	-	-	-	-	102,304
Investment in shares / units - at cost	-	-	-	-	-	-	-	-	-	23,821	-	-
Rent of property / service charges received	-	-	-	-	-	-	-	-	-	8,944	6,265	-
Dividend income received	-	-	-	-	-	-	-	-	-	4,751	-	-
Remuneration paid	-	71,390	-	-	-	-	-	36,964	-	-	-	-
Post employment benefits	-	4,248	-	-	-	-	-	2,888	-	-	-	-
Insurance premium paid	-	-	-	251	3,362	-	-	-	-	-	1,526	-
Insurance claims received	-	-	-	-	673	-	-	-	-	-	216	-
Fee, commission and brokerage income	1,559	-	-	-	2,202	-	21	-	-	-	2,649	-
Remuneration received by AML from AAAF, AHYS, AIAAF, AIIF, ASCF and AEF	-	-	-	36,086	-	-	-	-	-	31,841	-	-
Fees paid	-	-	1,100	-	-	-	-	-	1,200	-	-	-

19. DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue by the Board of Directors on April 22, 2015.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

